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J. WILLIAM FULBRIGHT
OF COUNSEL

August 21, 1975

Lt. Gen. Brent Scowcroft
The White House
Washington, D. C.

Dear General Scowcroft:

I hope you will not mind my taking advantage of your offer to convey messages to the President on occasion.

The question of the settlement of the conflict in the Middle East is so all-important that I feel it my duty to once more emphasize both the danger of the situation and the possibility of great benefits if a comprehensive settlement is brought about.

I am convinced that the revival of our economy and progress in both Europe and Japan is deeply influenced by the uncertainty flowing from the circumstances of the Middle East and the possibility of another war, with the interruption of the flow of oil resulting therefrom. And once again, I emphasize that I believe in the coming election the issue of a comprehensive settlement, which would be the best guarantee for the long-term security of Israel as well as the most beneficial to the United States, could be decisive for the President.

The enclosed is but a brief note which I hope may be helpful.

Sincerely,

J. W. Fulbright
J. W. Fulbright

JWF:at

MEMORANDUM

FROM: J. W. Fulbright

SUBJ: The Implications of a Middle East Interim Agreement

The prospective Israeli-Egyptian interim agreement will represent a major gain or a major setback to the national interest, depending upon what follows. If the time purchased is used effectively to generate momentum toward further agreements on Golan and the West Bank, the Sinai agreement will have served all parties well. If, on the other hand, it is followed by a long period of immobility, the moderate leaders who now hold office in all the most important Arab countries may be discredited and perhaps removed. In that event, the "golden opportunity" for peace of which the Arab leaders now speak will be lost, perhaps irretrievably.

The danger is particularly acute with respect to the Palestinians. Sober and responsible individuals with PLO connections suggest that if President Sadat appears to have "sold out" the Palestinians, Mr. Arafat will either have to embrace the position of the "rejectionists" or be displaced. Even more ominous, it is suggested that an apparent "sellout" will result in a coup against Sadat or an attempt or series of attempts on his life. Arafat, it is said, would not have to institute such action; he would only have to release the Palestinian fringe groups from such restraints as he now exercises with respect to them.

The temptation to let matters ride in the wake of an interim agreement will be enormous. It will give the Israelis a momentary sense of security, and it will alleviate their pressures on us. It will also ease, temporarily, the political problems of both the President and his prospective Democratic rivals.

I foresee great troubles if we do not follow through quickly and forcefully on Golan and the West Bank. All parties to the issue -- especially Israel and the United States Congress -- should be given clearly to understand that the new Sinai agreement will not be followed by a relaxation of American initiatives for a general settlement.

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The decision to forge ahead, I am well aware, may bring on immediate, disagreeable political repercussions. A decision to lie low, on the other hand, may set in motion events which will lead to renewed and expanded terrorism, and in due course another war.

The Joseph Kraft column of August 19th (copy attached) will surely be read in Saudi Arabia and can lead to a misinterpretation by the Saudis of the President's intentions. Kraft probably intends to be provocative, which he is, and wishes to leave the impression that we have no intention of requiring a return to the '67 borders.

Finally, I am convinced that a positive, unequivocal statement by the President that he intends to insist upon a comprehensive settlement with appropriate guarantees can have the most beneficial effect upon our economy and upon the confidence of the Europeans and the Japanese in the soundness of our policy. I further believe it would receive the approval of the majority of the American people, and would strengthen the President enormously.

*Joseph Kraft*WASHINGTON POST
AUGUST 19, 1975

A New Oil Diplomacy

Henry Kissinger plans to execute, over the next few months, a far-reaching diplomatic shuffle with heavy policy overtones. The plan calls for new ambassadors in Saudi Arabia and Canada, and changes at the top of the State Department's main economic offices in Washington and in Brussels.

The purpose of the shuffle is to unify what has hitherto been a schizophrenic American approach to an increasingly urgent problem. That is the problem of dealing with the oil exporting countries and their allies throughout the underdeveloped world.

The starting point for the diplomatic shuffle is Saudi Arabia, the biggest oil exporter in the world by far and the dominant country in the cartel of oil-exporting countries known as OPEC. James Akins, a leading State Department Arabist and oil expert, is being pushed out as ambassador after only two years in Judda.

William Porter, another Arabist and a senior foreign service officer known for his rare capacity to be firm with friends, will move from his present post in Ottawa to take the embassy in Saudi Arabia. He visited Washington about a month ago to discuss the transfer which awaits his finding a way to care for his aging mother.

The Canadian embassy is due to be taken by Thomas Enders, currently assistant secretary for economic affairs, who has up to now been a prime mover in designing American policy for dealing with OPEC. The new assistant secretary for economic affairs will be Joseph Greenwald, presently ambas-

sador to the European Economic Community, or common market, in Brussels. His post will be filled by Deane Hinton, former U.S. ambassador to Zaire, who is now serving as an aide to the undersecretary for economic affairs, Charles Robinson.

Behind these moves is a growing realization that the United States does not have a coherent policy for dealing with the oil-exporting countries. On the contrary, this country—and the Secretary of State himself—has had two policies which are now coming more and more into conflict.

One policy has emphasized living with oil price increases, the better to promote Arab moderation in negotiations for a Middle East settlement with Israel. Ambassador Akins has been a leading proponent of that approach. He has argued that Washington could depend on Saudi Arabia to achieve both a Middle East settlement and moderation in oil pricing.

But the Saudis have increasingly identified themselves with their partners in OPEC. They have allowed the cartel to drive oil prices higher and higher. With an Egyptian-Israeli understanding virtually in the bag, the United States can now afford to stop nursing the Saudis.

The other policy emphasized organizing the oil consumers for joint action against the oil producers. Assistant Secretary Enders has been the leading proponent of that approach, sometimes over the objections of his nominal superior, Undersecretary Robinson. The creation of the International Energy Agency, linking the United

States and its European allies together with Canada and Japan in a kind of counter-cartel, is primarily Enders's achievement.

But the counter-cartel excited the suspicion of the oil exporters. They have tightened their own ranks and aligned themselves with the so-called Third World of underdeveloped countries. They now insist that oil prices be dealt with in a tripartite meeting of producers, consumers and underdeveloped countries which could consider the levels of foreign aid as well as the prices of all other commodities.

What is now emerging is a fusion of the two policies, which Undersecretary Robinson has been urging on Dr. Kissinger. The new idea is to accept the concept of across-the-board dialog between the industrial world and the underdeveloped world. Having finally accepted the dialog, Dr. Kissinger wants to go forward unshadowed by the fights of the past.

Thus Ambassador Akins, a soft-liner toward the oil producers, will be replaced by a diplomat known for his firmness. Mr. Enders, a hard-liner, will give way to diplomats far more partial to Undersecretary Robinson and the dialog approach.

My own judgment is that the United States has lived too long with a schizophrenic oil diplomacy. The dialog cannot come too soon and the quicker the projected personnel changes are made the better. For Dr. Kissinger has not only to pull his own department together around a new oil diplomacy—he also has to sell the idea to the rest of the Ford administration.

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